

Message Text

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PAGE 01 SYDNEY 01719 150234Z

62

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TO AMEMBASSY MANILA

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MANILA FOR LEGAT

E.O9 11652: N/A

TAGS: CASC, CFED, BTRA, AS (BALLY CORPORATION)

SUBJ: ROYAL COMMISSION ON CRIME REPORT: BALLY CORPORATION
ACCUSED

REF: SYDNEY 1681, USDOC 11840

1. BACKGROUND: FOLLOWING CONFLICTING REPORTS OF 1971 AND 1972 NEW SOUTH WALES (NSW) AND COMMONWEALTH POLICE (CP) INVESTIGATIONS OF INFILTRATION OF CRIMINALS INTO NSW CLUB LIFE AND PARTICULARLY POKER-MACHINE TAKINGS, PREMIER ASKIN OF NSW APPOINTED MR. JUSTICE ATHOL MOFFITT OF NSW SUPREME COURT AS ROYAL COMMISSIONER TO INVESTIGATE SITUATION. HEARINGS WERE HELD BETWEEN SEPT 3, 1973 AND MARCH 19, 1974. TRANSCRIPTS OF ALL HEARINGS WERE PROVIDED BY NSW DEPT OF JUSTICE THROUGH AMCONSUL SYDNEY TO LEGAT MANILA. FINAL REPORT OF COMMISSIONER'S FINDINGS WERE TABLED IN NSW PARLIAMENT AUG 14, 1974. FOLLOWING IS SYDNEY MORNING HERALD SUMMARY OF REMARKS RE BALLY CORPORATION, UNDER FRONT PAGE HEADLINE QTE PUT BALLY OUT, SAYS JUDGE. ROYAL COMMISSION ATTACKS ORGANIZED CRIME LINKS. UNQTE.

2. QTE. A ROYAL COMMISSION HAS RECOMMENDED THAT THE WORLD-
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PAGE 02 SYDNEY 01719 150234Z

WIDE BALLY POKER MACHINE COMPANY BE EXCLUDED FROM OPERATING

IN AUSTRALIA. THE ROYAL COMMISSIONER, MR. JUSTICE MOFFITT HAS ADVISED THE STATE GOVT THAT A REAL AND VERY MATERIAL RISK EXISTS OF ORGANIZED CRIME INFILTRATING CLUB OPERATIONS IN NSW THRU VUGH BALLY. IN A SCATHING REPORT COVERING 147 PAGES TABLED YESTERDAY IN STATE PARLIAMENT, MOFFITT ATTACKED CRIMINAL ASSOCIATIONS OF THE COMPANY. PGH. HE ALSO FOUND A PRIMA FACIE INFERENCE OF A DELIBERATE OR CORRUPT ATTEMPT TO COVER UP ALLEGED ORGANIZED CRIME IN CLUBS BY "SOME" OF THE THREE SENIOR POLICE OFFICERS WHO INVESTIGATED THE AEMS. PGH. HE ACCUSED MR. JACK ROOKLYN, MANAGING DIRECTOR OF BALLY AUSTRALIA, AND MR. WILLIAM R. O'DONNELL, PRESIDENT AND PRINCIPAL SHAREHOLDER OF THE PARENT BALLY CORPORATION, OF LYING BEFORE HIM.PGH HE CALLED FOR A DRASTIC REVIEW OF POLICE METHODS OF INVESTIGATING ORGANIZED CRIME, AND A RADICAL TIGHTENING UP OF CONTROLS ON REGISTERED CLUB OPERATIONS. END QTE.

3. REPORTS OF STATEMENTS BY NSW MIN JUSTICE MADDISON RE ROYAL COMMISSION RECOMMENDATIONS INDICATE THAT METHODS OF DEALING WITH BALLY CORUPORATION MAY REQUIRE SPECIAL ACTION BY COMMONWEALTH GOVT OR THE CORPORATE AFFAIRS COMMISSION, IF NOT SPECIAL NSW STATE LEGISLATION. MR. MADDISON REPORTED TO HAVE SAID COPIES OF THE REPORT WOULD GO TO THE COMMONWEALTH AND NSW CROWN SOLICITORS WITH A VIEW TO ACTION BEING TAKEN AGAINST ANYONE INVOLVED WHERE EVIDENCE OF CRIMINALITY COULD BE SUSTAINED. IT IS EXPECTED, CONTINUES REPORT, THAT AS A RESULT OF CROWN SOLICITOR'S EXAMINATION, FURTHER POLICE INVESTIGATIONS WILL BE ORDERED INTO BALLY OPERATIONS AND THEIR LINKS WITH BOTH POLICE AND REGISTERED CLUBS.

4. POLICE COMMISSIONER HAS ALREADY MOVED TO ESTABLISH CRIME INTELLIGENCE UNIT SPECIALIZING IN ORGANISED CRIME WITHIN NSW AND AUSTRALIA AND OVERSEAS, AS RECOMMENDED BY REPORT. (FYI. DEPT. SUPT B.K. DOYLE AND DET. INSP. A.J. JONES OF NSW POLICE CONFERRED WITH POLICE OF LOS ANGELES AND CHICAGO 18-23 MAY 74 IN THIS CONNECTION.)

5. FULL SUMMARY REPORT BEING AIRGRAMMED TO DEPT AND LEGAT. WHEN 147-PAGE FINDINGS RECEIVED, WILL ALSO BE UNCLASSIFIED

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PAGE 03 SYDNEY 01719 150234Z

SENT TO INTERESTED PARTIES.
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